

## Message Text

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PAGE 01 DACCA 03314 250449Z  
ACTION OPIC-06

INFO OCT-01 NEA-11 ISO-00 EB-08 COME-00 L-03 TRSE-00  
/029 W

-----109171 251118Z /14

R 250349Z MAY 78  
FM AMEMBASSY DACCA  
TO SECSTATE WASHDC 9457

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PASS OPIC

E.O. 11652: N/A  
TAGS: EINV BG  
SUBJECT: BELBAGCO CLAIM

REFS: A. DACCA 3268; B. STATE 129496

1. ECONOFF WILCOX MET WITH SECRETARY OF INDUSTRIES MATIUL ISLAM MAY 24 TO FOLLOW UP ON THE AMBASSADOR'S DISCUSSION OF BELBAGCO WITH ADVISOR FOR INDUSTRIES AHMAD MAY 19. AS REPORTED IN REF A, THE ADVISOR HAD RAISED DIFFICULTY OF RECONCILING PAYMENT OF \$620,000 OFFERED BY AMBASSADOR SIDDIQI AT THE CURRENT EXCHANGE RATE WITH BDG'S ACCOUNTING PRINCIPLES. ADVISOR SUGGESTED WILCOX AND ISLAM MEET TO WORK OUT A SOLUTION.

2. IN MEETING WITH ISLAM, WILCOX GAVE HIM A COPY OF THE LETTER OF OPIC'S ACTING PRESIDENT POATS TO AMBASSADOR SIDDIQI DATED MAY 18 IN RESPONSE TO SIDDIQI'S LETTS OF MAY 2 (REF. B). WILCOX STRESSED THAT SIDDIQI'S REVISED OFFER TO PAY \$620,000 AT THE 7.59 TAKA/\$1 RATE WAS UNACCEPTABLE AND THE OPIC COULD NOT AGREE TO TRANSLATION INTO TAKA AT ANYTHING BUT THE EXCHANGE RATE APPLICABLE ON THE DATES OF INSTALLMENT PAYMENTS. WILCOX  
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SUGGESTED, INFORMALLY, THAT THE BDG MIGHT CONSIDER RECONCILING PAYMENT OF \$620,000 IN CURRENT TAKA FOR INTERNAL PURPOSES BY COMPUTING INTEREST ON A LOWER TAKA FIGURE BETWEEN 1972 AND 1978 IN ORDER TO ACHIEVE PAYMENT IN TAKA TO OPIC EQUIVALENT TO \$620,000 AT THE CURRENT (APPROXIMATELY TK 15.3/\$1) EXCHANGE RATE. OPIC COULD NOT, HOWEVER, ACCEPT OR ACKNOWLEDGE AS A CONDITION TO SETTLEMENT

PRINCIPLES ON WHICH IT DISAGREES. THUS OPIC'S DRAFT SETTLEMENT AGREEMENT WHICH INCORPORATES A LUMP SUM SETTLEMENT WITHOUT REFERENCE TO ACCOUNTING PRINCIPLES SHOULD BE USED TO FORMALIZE THE SETTLEMENT.

3. IN REPLY, ISLAM SAID ONLY THAT NOW THAT THE GOVERNMENT HAS RECEIVED OPIC'S NEGATIVE RESPONSE TO AMBASSADOR SIDDIQI'S MAY 2 PROPOSAL, IT WOULD CONSIDER THE MATTER IN THIS CONTEXT. HE SAID HE WOULD TAKE THE MATTER UP AGAIN WITH THE ADVISOR AND WOULD BE IN TOUCH WITH THE EMBASSY SOON.  
SCHNEIDER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLAIMS, NATIONALIZATION, COMPENSATION, NEGOTIATIONS, PROGRESS REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978DACCA03314  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780220-1173  
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**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 DACCA 3268, 78 STATE 129496  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Status:** NATIVE  
**Subject:** BELBAGCO CLAIM  
**TAGS:** EINV, BG, BELBAGCO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014